

May 23, 1973

PRESIDENT: Alright, Chair recognizes Senator Cavanaugh.

SENATOR CAVANAUGH: Mr. President, I'd have one other amendment to my amendment on page 11, line 26, strike 13 and insert 15 since we've already voted against any reduction this year, that would simply retain the present tax rates that are already in existence and the only other issue remaining in this of the 17 pages, primarily revisor other than the basic effect of the amendment, would be to transfer responsibility for setting the tax rates to the Legislature on a permanent basis. Of course every other state in the Union with the exception of Nebraska, and the Federal Congress set the tax rates. We appropriate the expenditures which directly determine what the tax rate need be and the only reason for separating the setting of the rate from the Legislature and creating a separate entity to do that, is for political expediency and protection of the members of this body to insure that we cannot directly be labeled with any tax increase by the citizens. I think that that's a cowardly way to participate in this process and if we're, we're willing to expect--accept the responsibility for expenditures, we should be willing to accept the responsibility for the rates that are a consequence of those expenditures and that's the intent of this amendment and that would be the effect of this amendment, to properly lay the responsibility in the mind of the public where it belongs so I urge adoption of the amendment.

PRESIDENT: Any further discussion of the Cavanaugh amendment? Senator Kelly, did you want to be heard on the Cavanaugh amendment here? Senator Stahmer, then Senator Whitney.

SENATOR KELLY: Mr. President, question of Senator Cavanaugh.

PRESIDENT: Senator Cavanaugh, will you yield to a question?

SENATOR CAVANAUGH: Yes.

SENATOR KELLY: Would you explain to me how the tax rate is set now?

SENATOR CAVANAUGH: It's currently set each, each year by the State Board of Equalization and Assessment, based on projections for the expenditures for that coming year.

SENATOR KELLY: Who, who are the members of that board? Do you believe it's the Governor, State Auditor, State Treasurer, Secretary of State?

SENATOR CAVANAUGH: I don't, that's--and the Tax Commissioner. I believe that's all.

SENATOR KELLY: Where do they get their information that they can set this tax rate and would the Legislature be available or the information be available to the Legislature?

SENATOR CAVANAUGH: I believe the information comes primarily from the Tax Commissioner, is that--I, I, the same information would be available to the Legislature, certainly.

SENATOR KELLY: Well, I, I tend to support your amendment but I do not and cannot understand the mechanics of how it operates.